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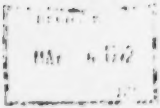
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549



FORM 10-Q

Quarterly Report Under Section 13 of 15(d)
of the Securities and Exchange Act of 1934

Q42-2264

For Quarter Ended February 29, 1992

Commission File Number 0-17984

SAN VAL, INC.
Exact Name of Registrant as Specified in its Charter

Colorado	77-0197120
State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number
75-181 Mediterranean Palm Desert, California Address of Principal Executive Office	92260 Zip Code

PROCESSED BY
14-14=I
MAY 12 1992

(619) 568-5592
Registrant's Telephone Number,
Including Area Code

NOT APPLICABLE
Former Name, Former Address and Forme: Year, if Changes Since Last Report

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Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period than the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes __X__ No _____

The number of shares outstanding of Registrant's common stock, $0.005 per share value was 7,536,991 at February 29, 1992.

SAN VAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	FEBRUARY 29, 1992	NOVEMBER 30, 1991
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	$ 41,980	$ 91,957
ACCOUNTS RECEIVABLE - LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS OF $67,500 AT FEBRUARY 29, 1992 AND NOVEMBER 30, 1991	905,341	724,930
INVENTORIES	83,591	168,003
PREPAID AND OTHER	31,179	36,934
TOTAL CURRENT ASSETS	1,062,091	1,021,824
PROPERTY AND EQUIPMENT		
VEHICLES, EQUIPMENT AND IMPROVEMENTS	2,067,004	2,052,205
LESS: ACCUMULATED DEPRECIATION	1,279,975	1,218,261
NET PROPERTY AND EQUIPMENT	787,029	833,944
OTHER ASSETS		
CUSTOMER CONTRACTS & OTHER, NET OF ACCUMULATED AMORTIZATION OF $1,280,540 AT NOVEMBER 30, 1991 AND $1,354,601 AT FEBRUARY 29, 1992	2,253,281	2,317,446
ACCOUNT RECEIVABLE - SHAREHOLDER	140,885	140,885
ACCOUNT RECEIVABLE - SAFE	66,234	0
DEPOSITS	10,896	15,899
TOTAL OTHER ASSETS	2,471,296	2,474,230
	$ 4,320,418	$ 4,329,998

The accompanying notes are an integral part of these financial statements

SAN VAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	FEBRUARY 29, 1992	NOVEMBER 30, 1991
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
CURRENT PORTION OF NOTES PAYABLE	769,699	878,257
LINE OF CREDIT	95,000	95,000
ACCOUNTS PAYABLE	671,271	709,169
ACCRUED EXPENSES		
WAGES AND PAYROLL TAXES	279,251	238,322
INCOME TAXES	12,778	12,778
OTHER	33,463	20,540
DEFERRED INCOME	75,289	101,597
TOTAL CURRENT LIABILITIES	1,936,751	2,055,663
LONG - TERM LIABILITIES		
NOTES PAYABLE - NET OF CURRENT PORTION	2,209,754	2,202,211
STOCKHOLDERS' EQUITY		
COMMON STOCK - PAR VALUE $.005 PER SHARE, 500,000,000 SHARES AUTHORIZED, 7,536,991 ISSUED AND OUTSTANDING AT FEBRUARY 29, 1992 AND NOVEMBER 30, 1991	44,201	44,201
ADDITIONAL PAID IN CAPITAL	177,654	177,654
RETAINED EARNINGS	(47,942)	(149,731)
TOTAL STOCKHOLDERS' EQUITY	173,913	72,124
	$ 4,320,418	$ 4,329,998

The accompanying notes are an integral part of these financial statements

SAN VAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
AND RETAINED EARNINGS (DEFICIT)
FOR THE THREE MONTHS ENDED

	FEBRUARY 29, 1992	FEBRUARY 28, 1991
REVENUES	$ 2,846,141	$ 3,971,739
EXPENSES		
OPERATING	2,273,463	3,356,997
GENERAL AND ADMINISTRATIVE	214,479	255,484
DEPRECIATION	61,715	40,646
AMORTIZATION	74,061	160,503
TOTAL EXPENSES	2,623,718	3,813,630
INCOME (LOSS) FROM OPERATIONS	222,423	158,109
INTEREST EXPENSE (NET)	120,634	95,909
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE PROVISION FOR INCOME TAXES	101,789	62,200
PROVISION FOR INCOME TAXES	0	24,880
INCOME (LOSS) FROM CONTINUING OPERATIONS	101,789	37,320
DISCONTINUED OPERATIONS		
INCOME FROM OPERATIONS	0	23,820
GAIN ON SALE OF GUARD DIVISION	0	639,351
CONSOLIDATED NET INCOME (LOSS)	$ 101,789	$ 700,491
CONSOLIDATED NET INCOME (LOSS) PER SHARE	$ 0.01	$0.08
CONSOLIDATED NET INCOME (LOSS) PER SHARE FROM CONTINUING OPERATIONS	$ 0.01	NIL
WEIGHTED AVERAGE SHARES OUTSTANDING	7,536,991	8,379,103
RETAINED EARNINGS (DEFICIT) - BEGINNING	$ (149,731)	$ (439,129)
NET INCOME (LOSS) FOR PERIOD	101,789	700,491
RETAINED EARNINGS (DEFICIT) - ENDING	$ (47,942)	$ 261,362

The accompanying notes are an integral part of these financial statements

SAN VAL, INC. AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED

	FEBRUARY 29, 1992	FEBRUARY 28, 1991
NET CASH FLOW FROM OPERATING ACTIVITIES		
CONSOLIDATED NET INCOME (LOSS)	$ 101,789	$ 700,491
ADJUSTMENTS TO RECONCILE NET INCOME TO		
NET CASH FLOW FROM OPERATIONS		
AMORTIZATION	74,061	160,503
DEPRECIATION	61,715	40,646
ACCOUNTS RECEIVABLE	(180,411)	(186,887)
INVENTORIES	84,412	(32,397)
PREPAID EXPENSES	5,755	9,039
OTHER CURRENT ASSETS	0	111,200
PROPERTY AND EQUIPMENT	0	228,722
ACCUMULATED DEPRECIATION	0	(46,635)
CUSTOMER CONTRACTS	0	243,179
ACCUMULATED AMORTIZATION	0	(205,679)
OTHER INTANGIBLES	11,759	14,004
DEPOSITS	5,000	0
ACCOUNTS PAYABLE	(37,898)	(499,953)
ACCRUED WAGES AND PAYROLL TAXES	40,929	(176,926)
DEFERRED INCOME	(26,308)	13,814
OTHER CURRENT LIABILITIES	12,923	(2,532)
INCOME TAXES PAYABLE	0	107,894
NET CASH FLOW FROM OPERATIONS	153,726	478,483
CASH FLOWS FROM INVESTING ACTIVITIES		
CUSTOMER CONTRACT PURCHASES	0	0
DEPOSITS ON CUSTOMER CONTRACTS	0	0
FIXED ASSET PURCHASES	(7,688)	0
NET CASH USED IN INVESTING ACTIVITIES	(7,688)	0
CASH FLOWS FROM FINANCING ACTIVITIES		
PRINCIPAL PAYMENTS - NOTES	(174,335)	(212,118)
CAPITAL LEASE PRINCIPAL PAYMENTS	(21,680)	(30,781)
LINE OF CREDIT ACTIVITY	0	(95,000)
NEW FINANCING DEPOSITS	0	0
NEW EQUIPMENT LOANS	0	0
NET CASH USED IN FINANCING ACTIVITIES	(196,015)	(337,899)
NET INCREASE IN CASH AND EQUIVALENTS	(49,977)	140,584
CASH AND EQUIVALENTS - BEGINNING	91,957	28,077
CASH AND EQUIVALENTS - ENDING	$ 41,980	$ 168,661

The accompanying notes are an integral part of these financial statements

SAN VAL, INC. AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED
(CONTINUED)

	FEBRUARY 29, 1992	FEBRUARY 28, 1991
SUPPLEMENTAL DISCLOSURES OF CASH ACTIVITIES		
CASH PAID DURING PERIOD FOR :		
INTEREST	120,634	101,262
INCOME TAXES	0	24,880
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
ACQUISITION OF CUSTOMER CONTRACTS :		
PURCHASE PRICE	0	0
LESS NOTES PAYABLE	0	0
CASH PAID	0	0
PURCHASE OF EQUIPMENT		
TOTAL EQUIPMENT PURCHASED	7,688	0
LESS NOTE AND LEASES INCURRED	0	0
CASH PAID	7,688	0

The accompanying notes are an integral part of these financial statements

SAN VAL, INC, AND SUBSIDIARIES
STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED FEBRUARY 29, 1992

	SHARES	COMMON STOCK	ADDT'L PAID - IN CAPITAL	RETAINED EARNINGS	TOTAL
BALANCE AT NOVEMBER 30, 1990	8,379,103	$ 41,896	$ 177,654	$ (439,129)	$ (219,579)
CANCELLATION OF STOCK	(924,300)	$ (5,218)			$ (5,218)
STOCK ISSUED FOR ACQUISITIONS	60,158	$ 7,423			$ 7,423
STOCK ISSUED DURING DEBT FINANCING	8,300	$ 32			$ 32
STOCK ISSUED TO EMPLOYEES	13,730	$ 68			$ 68
NET INCOME FOR PERIOD ENDED NOVEMBER 30, 1991				$ 289,398	$ 289,398
BALANCE AT NOVEMBER 30, 1991	7,536,991	$ 44,201	$ 177,654	$ (149,731)	$ 72,124
NET INCOME FOR PERIOD ENDED FEBRUARY 29, 1992				$ 101,789	$ 101,789
BALANCE AT FEBRUARY 29, 1992	7,536,991	$ 44,201	$ 177,654	$ (47,942)	$ 173,913

The accompanying notes are an integral part of these financial statements

SAN VAL, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AT FEBRUARY 29, 1992

NOTE 1 : COMMON STOCK AND WARRANTS OUTSTANDING

THE FOLLOWING SECURITIES ARE OUTSTANDING AT FEBRUARY 29, 1992 :

TITLE OF SECURITY	# OUTSTANDING	EXERCISE PRICE	DESCRIPTION
COMMON STOCK	7,136,991	N/A	RESTRICTED SHARES
COMMON STOCK	400,000	N/A	PUBLIC SHARES
CLASS A WARRANT	400,000	ONE SHARE AT $ 2.00 / SHARE	EXPIRED 4-25-92
CLASS B WARRANT	400,000	ONE SHARE AT $ 3.50 / SHARE	EXPIRED 4-25-92

THE WARRANTS WERE SEPARATELY TRANSFERRABLE AND TRADEABLE FROM THE COMMON STOCK. THE CORPORATION RESERVES THE RIGHT TO REDEEM THE WARRANTS UPON THIRTY DAYS WRITTEN NOTICE AT $0.005 PER WARRANT BEGINNING THREE MONTHS AFTER THE DATE OF THE PROSPECTUS. NO WARRANTS WERE EXERCISED.

NOTE 2 : RELATED PARTY TRANSACTIONS

THE COMPANY IS OBLIGATED TO ROBERT L. SANDIFER, MAJOR STOCKHOLDER IN THE COMPANY, UNDER A LEASE AGREEMENT FOR THE BUILDING THE COMPANY OCCUPIES. THE LEASE EXPIRES IN APRIL, 1992 AND IS RENEWABLE FOR FIVE YEARS. THE MINIMUM PAYMENTS ARE AS FOLLOWS :

THE YEAR ENDING NOVEMBER 30, 1991	$ 99,400
THE YEAR ENDING NOVEMBER 30, 1992	$ 42,000
TOTAL	########

THE COMPANY HAS A LOAN RECEIVABLE FROM ROBERT L. SANDIFER IN THE AMOUNT OF $ 140,885.

NOTE 3 : INCENTIVE STOCK OPTION PLAN

THE CORPORATION HAS RESERVED 200,000 SHARES OF ITS $0.005 VALUE COMMON STOCK FOR ISSUANCE UNDER AN INCENTIVE STOCK OPTION PLAN. AS OF FEBRUARY 29, 1992. NO OPTIONS HAVE BEEN GRANTED UNDER THIS PLAN.

NOTE 4 : LINE OF CREDIT

THE COMPANY'S NOTE PAYABLE UNDER ITS LINE OF CREDIT WAS RENEWED ON MAY 2, 1991 UNTIL MAY 2, 1992 .

SAN VAL, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AT FEBRUARY 29, 1992

NOTE 5 : DISCONTINUED OPERATIONS - SALE OF SECURITY GUARD DIVISION

On January 15, 1991 the company sold all of its right, title and interest in and certain of its assets, agreements and contract rights related to its security guard division doing business as "San Val Security" and "Control Security Services" .

The total sales price of the security guard division was allocated as follows:

Customer contracts	$ 555,932
Agreements not to compete	300,000
Uniforms	10,000
Vehicles	70,485
Radios	11,330
Furniture and fixtures	28,351
Trade name (goodwill)	209,068
Total	$ 1,185,166

Notes payable on security vehicles sold were paid off with some of the proceeds of the sale. Total notes payable paid off amounted to $69,544.

All accounts receivable and accounts payable at the date of the sale were retained by the company.

Eighty percent of the sales price was paid to the company on January 15, 1991. The balance is due and payable to the company on April 15, 1991.

Any security guard business lost or added by April 15, 1991 will be subtracted (if lost) or added (if added) , at a multiple of 3.75 times monthly gross revenue, to the balance due on April 15, 1991.

The company agree not to solicit or compete in the security guard business in California until January 15, 1996.

The following summarizes the revenues and expenses from the security guard operations for the fiscal years ended November 30, 1990, 1989 and 1988.

	the fiscal years ended November 30,		
	1990	1989	1988
Revenues	$ 3,060,617	$ 3,619,216	$ 4,423,128
Operating expenses	2,645,534	3,256,988	3,902,831
Depreciation	31,167	30,522	24,108
Amortization	66,308	66,308	65,308
Net income	$ 317,608	$ 265,398	$ 430,881

The event was reported on form 8-K to the Securities and Exchange Commission.

SAN VAL, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AT FEBRUARY 29, 1992

NOTE 6 : MANAGEMENTS REPRESENTATION OF INTERIM FINANCIAL INFORMATION

THE INTERIM FINANCIAL STATEMENTS PRESENTED HEREIN CONTAIN ALL OF THE ADJUSTMENTS, WHICH, IN THE OPINION OF MANAGEMENT, ARE NECESSARY TO THEIR FAIR PRESENTATION. THESE ADJUSTMENTS ARE OF A NORMAL AND RECURRING NATURE. THE FINANCIAL DATA FOR THE INTERIM PERIODS MAY NOT NECESSARILY BE INDICATIVE OF THE RESULTS TO BE EXPECTED FOR THE YEAR.

NOTE 7 : NATURE OF BUSINESS

THE COMPANY IS ENGAGED IN THE LANDSCAPE MAINTENANCE AND PROPERTY MANAGEMENT SERVICES IN THE COACHELLA VALLEY OF SOUTHERN CALIFORNIA AND IN THE RESIDENTIAL AND COMMERCIAL ALARM SYSTEMS SALES, SERVICE AND MONITORING SERVICES IN THE GREATER SOUTHERN CALIFORNIA AREA.

NOTE 8 : RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

AS MORE FULLY EXPLAINED IN NOTE 5, THE COMPANY SOLD ITS SECURITY GUARD DIVISION ON JANUARY 15, 1991. BECAUSE OF THE SALE, ALL PRIOR PERIOD FINANCIAL INFORMATION SHOWN FOR COMPARATIVE PURPOSES HAS BEEN RESTATED. ALL INCOME AND EXPENSES FOR THE SECURITY GUARD DIVISION IN PERIODS PRESENTED HAVE BEEN REMOVED FROM FINANCIAL INFORMATION REFLECTING CONTINUING OPERATIONS. THE NET INCOME INCOME FROM THE SECURITY GUARD DIVISION OPERATIONS IS SHOWN AFTER NET INCOME FROM CONTINUING OPERATIONS.

NOTE 9 : CHANGE IN ESTIMATE OF USEFUL LIFE OF ALARM CONTRACTS

THE COMPANY CHANGED THE ESTIMATED USEFUL LIFE OF ITS ALARM MONITORING CONTRACTS FROM 5 YEARS TO TEN YEARS. THIS CHANGE IN ESTIMATE DOES NOT REQUIRE A RESTATEMENT OF PRIOR PERIODS. AMORTIZATION SHOWN IN THE QUARTER ENDED FEBRUARY 28, 1991 WAS BASED ON A FIVE YEAR LIFE. AMORTIZATION OF THESE CONTRACTS DURING THE CURRENT THREE MONTHS IS BASED ON A TEN YEAR ESTIMATED USEFUL LIFE. THIS CHANGE WAS BASED ON THE COMPANY'S EXPERIENCE TO DATE WITH ALARM MONITORING CONTRACTS PURCHASED AND RETAINED.

SanVal, Inc. and Subsidiaries
Management Discussion and Analysis
of
Financial Condition and Results of Operations
For the Three Months Ending February 29, 1992

LIQUIDITY AND CAPITAL RESOURCES

The company's working capital deficit at February 29, 1992 decreased by $159,179 as compared to February 29, 1991. This was due to the profitable operation of the alarm division for the first time since its inception.

Net income plus amortization and depreciation for the three months ended February 29, 1992 was $234,565. The principal portion of debt service for the current three months as $196,015. Primarily because of the increase in accounts receivable, the current three months showed a cash decrease of $49,977.

The Company is currently negotiating a restructuring of its long-term debt with external sources. The intent of this proposed restructuring is to reduce current debt service requirements.

It is anticipated that the Company's primary sources of capital for financing ongoing activities for the near term will be external long-term borrowings and internally generated funds.

Although the Company is unable to predict the unit prices of the services it renders, such prices in the past have shown a growth pattern approximating inflation rates in the Southern California area.

The Company had no material commitments for capital expenditures as of May 6, 1992.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED FEBRUARY 29, 1992 VS. THE THREE MONTHS ENDED FEBRUARY 28, 1991

Total revenues for the three months decreased by $1,125,598 over the same six months last year. The landscape division accounted for nearly all of this decrease.

Income from operations for the current three months was $222,423, an increase of $64,314 over the same six months a year ago.

Operating expenses for the current three months were 79.9% of revenues, an improvement of 4.6% over the same three months last year. Increased operating efficiency in the alarm division was the primary contributor to this improvement.

General and administrative expense for the current three months decreased $41,005 compared to the same three months last year.

Income from continuing operations for the current three months was $101,789, an increase of $64,469 compared to the same six months a year ago.

The landscape, property management and alarm divisions were all profitable during the first three months of the current year.

Consolidated net income for the current three months was $101,789. Consolidated net income of $700,491 for the same three months last year included $663,171 of net income from the operation and sale of the guard division.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Not applicable.

Item 2. Changes in Securities

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

Item 5. Other Information

SanVal, Inc. is a California corporation engaged in the security service, property management and landscaping industries principally in California's Coachella Valley which contains, among others, the communities of Palm Desert, Rancho Mirage and Palm Springs. The company also has alarm system sales and service offices in San Diego, California and in Upland, California.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits: Not applicable.
(b) Reports on Form 8-K: Not applicable.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SanVal, Inc.

/s/ Robert L. Sandifer
Robert L. Sandifer, President

Date: May 6, 1992